

EXTRA
8% TAX Savings
with Flex HSA

Better Tax Savings with Flex HSA

Employers and employees save more by eliminating payroll taxes on employee Health Savings Accounts through an employer-sponsored HSA than by taking the deduction on personal income tax forms at the end of the year.

The additional savings is the 7.65% FICA tax for employees and combined payroll tax savings averaging between 8% and 10% for most employers.

The Flex HSA package provides employers with everything they need to establish an IRS- and DOL-compliant Section 125 with the HSA Savings module plan in PDF format for just \$129. This cost reflects a one-time setup fee, not an annual charge. For an additional \$50, employers can choose the Deluxe Binder option that includes the PDF email version plus a printed plan document in a 3-ring binder.

How Does an HSA Account Work?

An HSA is comprised of two parts:

- First, a qualifying High-Deductible Health Plan (HDHP) insurance policy covers regular medical and hospital bills.
- Then, the HSA complements the HDHP by allowing participants to withdraw tax-free funds for medical care not covered by the HDHP.

Fund Growth

Unlike other Flexible Spending Accounts (FSAs), unused funds accumulate in the HSA bank or investment account earning tax-free interest until retirement. And then, at retirement, funds can be withdrawn for any purpose (subject to normal income taxes).

HSA Requirements

The HSA itself has a maximum annual contribution limit indexed to inflation.

The HDHP part of the plan is subject to a minimum annual deduction and a maximum out-of-pocket limit that covers the deductible, co-pays, and coinsurance rules of the HDHP.

HSA Maximum Annual Contribution

Coverage Type	2020	2021
Single	\$3,550	\$3,600
Family	\$7,100	\$7,200

HSA Minimum Deductible

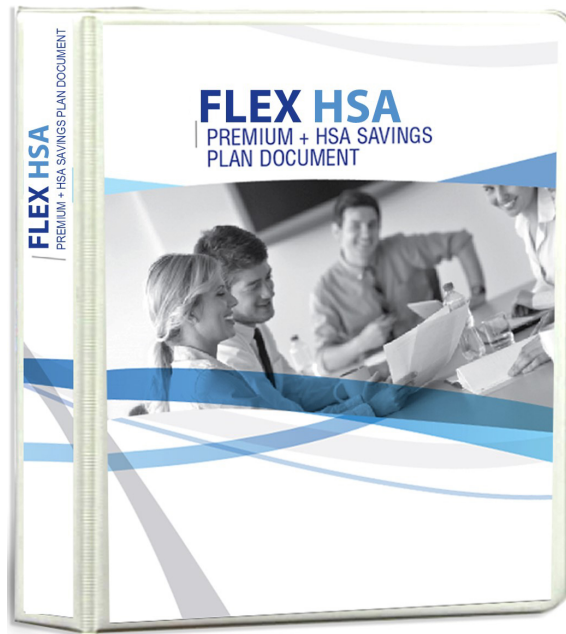
Coverage Type	2020	2021
Single	\$1,400	\$1,400
Family	\$2,700	\$2,700

HSA Out-of-Pocket Limit

Coverage Type	2020	2021
Single	\$6,900	\$7,000
Family	\$13,800	\$14,000

Ownership

HSA plans are personally owned by each participant or employee. That means they go with an employee when they leave one job for employment elsewhere, with no loss incurred.



Set up a Flex HSA in 3 easy steps:

Design your plan:

- Choose your plan year according to the calendar (Jan-Dec) or your tax year (Jul-Jun, for example) -- a short plan year is available for the first year;
- Determine the rules and limits for your plan -- our order form takes you through it step-by-step; and,

Order your plan:

- Place your order for the Flex HSA plan document package.
- Your personalized plan document package arrives at your inbox within a business day or two.

Start your plan:

- Print, review, and sign the plan document where indicated;
- Give a copy of the participant packet to each eligible employee; and then,
- Keep the Flex HSA plan document on file with other personnel paperwork -- there is no requirement to file the plan document with any agency.

Qualifying out-of-pocket HSA medical expenses include:

- Deductibles, co-pays, and coinsurance
- Vision expenses, including LASIK, glasses, and contacts
- Dental and orthodontic procedures
- Prescription drugs
- Chiropractic services
- Diagnostic procedures
- Hearing aids
- Ambulance service
- Back, wrist, and knee supports
- Crutches and slings
- Bandages
- Artificial limbs
- Blood pressure monitors
- CPAP supplies
- Diabetic testing monitors and strips
- Flu shots
- Pregnancy test kits
- Lactation aids
- Fertility treatments
- Diabetic supplies
- Special education for learning disabilities*
- Smoking cessation programs
- Weight-loss programs*
- Telephone equipment for the deaf, hard of hearing, or speech impaired
- Service animals
- Wheelchairs
- Psychiatric care
- Drug addiction treatment programs (inpatient)
- Alcoholism treatment (inpatient)
- Wigs*
- Menstrual products
- Long-term care
- Nursing home
- Nursing services
- Oxygen
- Transportation
- Lodging
- OTC medications for cough and cold, allergies, pain relief, and heartburn
- And much, much more**

*When prescribed by a physician.

** For a complete list, see IRS Pub. 502.